(c) the concrete steps being taken to bring down the rate of inflation to a level of 3.5 per cent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Sir, the rise in prices of certain commodities which is taking place is due to a variety of factors ranging from hardening of international prices to mismatch in the domestic demand-supply situation.

(c) Government has taken various measures to control inflation. These include reduction in prices of petrol and diesel, allowing import of wheat and pulses at zero duty rates, banning export of pulses and wheat, reduction of import duty on palm group of oils and several other commodities, banning of futures trading of wheat, rice and some pulses and stringent regulatory measures for forward trading in various other commodities. Government is also monitoring the price situation on a regular basis.

Disinvestment in REC

†773. SHRIMATI SUSHMA SWARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided to disinvest in the Rural Electrification Corporation (REC);

(b) if so, the percentage of said disinvestment; and

(c) the manner in which the disinvestment proceeds would be utilized?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) On 6th July, 2006, Government decided to keep all disinvestment decisions and proposals on hold, pending further review, which is yet to be completed. Rural Electrification Corporation Limited proposes to make a public offering of equity equal to 10% of its pre-issue paid-up equity capital. Government would piggy-back with an 'Offer for Sale' of 10% out of its shareholding.

(c) The proceeds from the 'Offer for Sale' of Government equity in REC will be credited to the corpus of the National Investment Fund (NIF). The NIF corpus will be of a permanent nature and will be professionally managed

†Original notice of the question was received in Hindi.

to provide sustainable returns to the Government, without depleting the corpus. 75% of NIF's annual income will be used to finance selected social sector schemes, which promote education, health and employment and the residual 25% will be used to meet the capital investment requirements of profitable and revivable PSUs.

Losses in RRBs

774. SHRI GIREESH KUMAR SANGHI:
SHRI SANTOSH BAGRODIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that deposits in Regional Rural Banks have grown steadily; if so, the details thereof;

(b) whether it is also a fact that such RRBs have been able to meet their lending targets for priority sector; if so, the details thereof;

(c) whether it is also a fact that despite rise in deposits, the RRBs have still been incurring losses;

(d) if so, the reasons therefor; and

(e) what steps are being taken to restore viability of the Regional Rural Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Deposits of Regional Rural Banks (RRBs) as reported by NABARD have increased during the last three years as per details given below:—

(Rs. in crores)

Particulars	2003-04	2004-05	2005-06
Deposits	56350.08	62143.00	71328.83

(b) RRBs have been able to meet their lending targets under priority sector (60 per cent) as prescribed by Reserve Bank of India (RBI). The details are given below:-